

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION FREE CONFERENCE COMMITTEE ON HOUSE BILL 573

Call to Order: By **CHAIRMAN MACK COLE**, on April 17, 2001 at 1:10 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Keith Bales, Chairman (R)
Sen. Mack Cole, Chairman (R)
Sen. William Crismore (R)
Rep. Gary Matthews (D)
Rep. Alan Olson (R)
Sen. Glenn Roush (D)

Members Excused: None.

Members Absent: None.

Staff Present: Holly Jordan, Committee Secretary
Mary Vandembosch, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:
Executive Action: HB 573

EXECUTIVE ACTION ON HB 573

{Tape : 1; Side : A; Approx. Time Counter : 0.2}

Motion: REP. BALES moved that HB 573 DO PASS.

Discussion:

Ms. Vandembosch passed out the amendments
EXHIBIT(frh86hb0573a01), **EXHIBIT**(frh86hb0573a02) and
EXHIBIT(frh86hb0573a03).

Motion: REP. BALES moved that **AMENDMENT HB057311.AMV BE ADOPTED.**

Discussion:

REP. BALES explained the amendments.

Ms. Vandenbosch explained the amendments also.

SEN. ROUSH asked, with all these amendments is this bill still talking about the 1 mile area from the border of Wyoming?

REP. BALES stated, yes. He explained what the amendments do.

REP. OLSON stated, it doesn't pertain just to the Wyoming border but also to any federal agency or tribal lands.

REP. MATTHEWS asked Ms. Vandenbosch, what do these amendments do as far as the changes in the water laws? Ms. Vandenbosch stated, with these amendments section 4 would apply to all coal bed methane wells that involve the production of groundwater. She went over the water requirements.

REP. MATTHEWS asked REP. BALES how are the water requirements going to affect future production? REP. BALES stated, there is a controlled groundwater area in the Powder River Basin that requires a mitigation agreement. It requires the companies to monitor everything. The concern was does that apply to federal wells as they are not permitted by the Board of Oil and Gas. This is an effort to make everybody play by the same rules. This will give some protection to the water right holders in the area. In Wyoming there have been mitigation agreements and they have gone well.

SEN. COLE asked Rebecca Watson, Redstone, to give her viewpoint on this issue. Ms. Watson stated, Redstone is comfortable with language that requires them to offer mitigation agreements within 1 mile.

SEN. COLE asked Ms. Watson to explain the similarities between this language and what is going on in Wyoming. Ms. Watson stated, the concept of a mitigation agreement offering to replace a well or a spring was pioneered by Wyoming. The Wyoming BLM is requiring a copy of those mitigation agreements for their files. She spoke of the controlled groundwater area in the Powder River Basin.

Tom Ebzery, CMS, stated, these latest amendments are getting close to addressing the concerns of CMS. He explained those

concerns. He stated that it would help to plug these amendments into a grey bill.

SEN. CRISMORE stated that he would like to see a grey bill.

SEN. COLE asked if anyone was going to bring in any more amendments.

Mr. Ebzery stated, if the amendments were put into a grey bill it would be easier to determine if more amendments are needed.

SEN. ROUSH stated that he supports the drafting of a grey bill. He asked **Ms. Watson**, do these amendments now address coal bed methane wells across the state? **Ms. Watson** stated, the bill is addressing the issue of drainage whether it occurs on the boarder or adjacent to an Indian reservation or federal land. Parts of the bill apply to all coal bed methane wells. **SEN. ROUSH** asked, is there strong enough language for deep wells in this bill. Is the 1 mile radius enough? **Ms. Watson** stated, if there is an impact outside of the mile then it would be extended. **SEN. ROUSH** stated that he is concerned about the loss of the water right on deeper wells. **Ms. Watson** stated that this bill does apply across the state. If one of the deeper wells did have an impact on a water well it could be mitigated.

REP. CRISMORE stated that he would not like to offer his amendments at this time.

REP. BALES explained amendment HB057309.amv **EXHIBIT(3)**. There was discussion about whether it may be necessary to include amendment #19 of HB057310.amv.

Ms. Watson stated, this amendment was requested by DEQ.

Ms. Vandebosch clarified what she is going to do in drafting the grey bill.

SEN. COLE stated, the committee will meet at 12:00p.m. on April 18, 2001, in room 472 to look at the grey bill.

ADJOURNMENT

Adjournment: 2:00 P.M.

SEN. MACK COLE, Chairman

Holly Jordan, Secretary

MC/KB/HJ